

Message Text

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PAGE 01 SOFIA 00896 291549Z

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ATHENS FOR AGATT PHILLIPSEN

E.O. 11652: NA

TAGS: BEXP, BU, EAGR

SUBJECT: SILISTRA PROJECT

REF: SOFIA A-62, DEC. 6, 1976

1. HAVE JUST RETURNED FROM THREE-DAY VISIT TO THE SILISTRA PROJECT, THE "LARGEST VERTICALLY INTEGRATED AGRO-INDUSTRIAL PROJECT IN THE WORLD," WHICH IS SUPPOSED TO INVOLVE EXPENDITURE OF \$500 MILLION OVER THE NEXT FEW YEARS. MY MAIN IMPRESSIONS ARE THAT (A) THERE REALLY IS NO SUCH PROJECT AS DISTINCT FROM THE PLANS AND PROJECTS OF THE SILISTRA OKRUG (DISTRICT) ITSELF; (B) THE SOVIETS ARE GOING TO GET THE LION'S SHARE OF ANY BUSINESS DEVELOPING THERE; AND (C) BULGARIANS, WHILE PLEASED WITH THE WORK OF THE AMERICAN ENGINEERING FIRM, GLOBE SERVICES INTERNATIONAL, NEVER HAD INTENDED A FOREIGN ENGINEERING FIRM TO HAVE A JOB ROLE AFTER THE CONCEPTUAL PHASE OF THE PROJECT WAS COMPLETED.

2. THE SILISTRA CONCEPT IS EXEMPLIFIED BY STATEMENT OF
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PAGE 02 SOFIA 00896 291549Z

MANAGERS THERE THAT "WHEREAS 30 YEARS AGO WE HAD 33,000 FARMS IN OUR DISTRICT AND IN 1970 BROUGHT THIS DOWN TO SIX LARGE COMPLEXES, WE NOW HAVE ONLY ONE." THE SPECIALIZATION AND CONCENTRATION CONCEPT, WHICH IS USED ELSEWHERE IN BULGARIA AND IN RELATIONS BETWEEN CEMA COUNTRIES, WILL MEAN THAT PRODUCTION IN SILISTRA WILL BE LARGELY FOCUSED ON LIVESTOCK PRODUCTION (IN ADDITION TO APRICOTS, OF WHICH THEY HAVE VERY

LARGE PLANTATIONS). VIRTUALLY ALL FEEDING (AND BREEDING) OF LIVESTOCK IS IN "CLOSED CIRCUIT" BUILDINGS. USING EXTENSIVE MECHANIZATION THE HARVESTS ARE ALREADY GOOD AND SHOULD BE ESPECIALLY GOOD THIS YEAR SINCE THERE HAS BEEN AN ABUNDANT SPRING RAINFALL.

3. BUT THE PRINCIPAL IMPROVEMENT IN YIELDS AND OVERALL PRODUCTION IS EXPECTED TO ACCRUE FROM IRRIGATION (WHICH SOVIETS HAVE SOLIDLY SEWED UP -- AS PER REPAIR). BECAUSE OF DOUBLE-CROPPING AND GREATER EFFICIENCY WHICH THIS IS EXPECTED TO PROVIDE, PRODUCTION IS EVENTUALLY EXPECTED TO BE 2-1/2 TIMES PRESENT FIGURES. BULGARIANS ARE VERY SATISFIED WITH THE ENGINEERING STUDY AND "AT THIS STAGE THE ROLE OF GLOBE SERVICES INTERNATIONAL HAS END." IN CAREFULLY WORDED EXPLANATION IT WAS SAID THAT FURTHER US PARTICIPATION DEPENDS ON "HOW RELATIONS BETWEEN US AND BULGARIA DEVELOP; THE EXTENT OF FUTURE COOPERATION WILL DEPEND ON EXTENT OF MUTUAL ADVANTAGE."

4. ASKED TO EXPLAIN THE FOREGOING STATEMENT, BRIEFING OFFICERS RETREATED BEHIND SCREEN OF GENERALITIES, DISCLAIMERS THAT "POLITICAL MATTERS" (MFN WAS NOT MENTIONED) COULD HAVE AN INFLUENCE ON ECONOMIC DECISION, AND GENERAL OBFUSCATION. HOWEVER, IT WAS VERY CLEAR THAT BULGARIA WILL LOOK TO USSR TO FILL ITS MAJOR NEEDS FOR MACHINERY WITH RESPECT TO SILISTRA. FOR INSTANCE, MANAGERS SAID THEY EXPECT OVER NEXT FEW YEARS TO OBTAIN FROM USSR THE LARGE, HEAVY-DUTY TRACTORS WHICH FOR A TIME HAD BEEN PROCURED FROM DEERE AND CO. IT WAS ALSO INDICATED THAT FINANCIAL STRINGENCIES WILL PRO-LIMITED OFFICIAL USE

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PAGE 03 SOFIA 00896 291549Z

BABLY REQUIRE A CONSIDERABLE STRETCH-OUT OF TIME SCHEDULES.

5. WHILE I AM AWARE THAT DECISIONS ON FOREIGN PROCUREMENT ARE MADE IN SOFIA AND NOT IN SILISTRA, CAREFULLY PHRASED LANGUAGE ABOUT EXTENT OF FUTURE US-BULGARIAN COOPERATION IN THAT PROJECT DID NOT SEEM ACCIDENTAL, PARTICULARLY SINCE ALMOST EVERYTHING ELSE WAS EXCEEDINGLY INFORMAL. AS WITH THE CHASE-MANHATTAN TEAM THAT VISITED SILISTRA LAST YEAR, THIS AMERICAN VISITOR WAS OVERWHELMED WITH HOSPITALITY AND GOOD FELLOWSHIP, BUT PRECISE INFORMATION PROVIDED ON HOW THE MASTER PLAN WILL BE PUT INTO OPERATION WAS SPARSE. THE AREA IS CJTAINQ IMPRESSIVE, AND EVEN AT PRESENT SEEMS TO HAVE RELATIVELY HIGH RATE OF PRODUCTIVITY.
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